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NASA Procedural Requirements

COMPLIANCE IS MANDATORY**NPR 7500.1**Effective Date: December 20,
2001Expiration Date: December
20, 2006[Printable Format \(PDF\)](#)

Subject: NASA Technology Commercialization Process w/ Change 1 (4/9/04)**Responsible Office: Exploration Systems Mission Directorate**

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Appendix B. New Technology Reporting Process

The government does not license "inventions," per se, but licenses patents and patent applications on inventions, including software, owned by the government. The government also licenses copyrights in software that have been assigned to, or are otherwise owned by, the government. In general, the government owns inventions made by its employees as a result of their employment. Each NASA employee who makes an invention is required to submit a disclosure of such invention to the Office of the General Counsel, or to the delegated Center Patent Counsel. Reporting of inventions by government employees is covered in [NPD 2091.1](#), Inventions Made by Government Employees.

The government may also own inventions made under Federal funding agreements. Funding agreements include contracts, grants, and cooperative agreements for the performance of experimental, developmental, or research work and also includes subcontracts thereunder. NASA's policy with respect to inventions made in the performance of NASA funding agreements with small business firms, colleges, universities, and nonprofit organizations (hereinafter referred to as "small entities") is based on the Bayh-Dole Act (35 U.S.C. 200 et. seq.). The Bayh-Dole Act allows small entities that are a party to a funding agreement with a Federal agency to elect to retain title to inventions made under the funding agreement. Based on the Bayh-Dole Act, the Patent Rights clause in funding agreements with small entities (FAR clause 52.227-11 as modified by NASA FAR Supplement clause 1852.227-11) requires the small entity contractor, subcontractor, grantee or recipient (hereinafter referred to as contractor), to:

- a. Disclose each "Subject Invention" to the Federal agency (through the NASA New Technology Representative identified in the funding agreement) within 2 months after the inventor discloses it in writing to the contractor's personnel responsible for patent matters (a "Subject Invention" is defined in the Patent Rights clause to mean any invention or discovery of the contractor, which is or may be patentable, conceived or first actually reduced to practice in the performance of work under the contract) . Additionally, the NASA FAR Supplement specifies that subject inventions include, but are not limited to, new processes, machines, manufactures, and compositions of matter, and improvements to, or new applications of, existing processes, machines, manufactures, and compositions of matter. Subject inventions also include new computer programs, and improvements to, or new applications of, existing computer programs, whether or not copyrightable or otherwise protectable under Title 17 of the United States Code.);
- b. Elect in writing whether or not to retain title to any such invention by notifying the Federal agency within 2 years of its disclosure to the Federal agency. However, if the invention has been publicized through publication, sale, or public use, the period for election of title may be shortened by the Federal agency (consult your Center's Patent Counsel if you believe this situation, which may create a statutory bar to patenting, applies);
- c. File its initial patent application on a subject invention to which it elects to retain title within one year after election of title, or, if earlier, prior to the end of any statutory bar period; and
- d. Include the Patent Rights clause in any subcontract with a small entity or the New Technology clause (NASA FAR Supplement clause 1852.227-70) in any subcontract with a large entity.

The government has the right to receive title to subject inventions made by small entity contractors, upon written request:

- a. If the contractor has not disclosed the invention within the time specified in the clause;
- b. In any country where the contractor does not elect to retain rights or fails to elect to retain rights to the invention within the time specified in the clause;
- c. In any country where the contractor has not filed a patent application within the time specified in the clause;
- d. In any country where the contractor decides not to continue prosecution of a patent application or pay maintenance fees on an issued patent; and
- e. In any country where the contractor no longer desires to retain title.

Once NASA obtains titles to inventions, NASA may file patent applications and license the applications and any resulting patents obtained.

NASA's policy with respect to inventions made in the performance of NASA funding agreements with other than a small entity (i.e., large businesses, hereinafter referred to as "large entities") and the allocation of related property rights is based on Section 305 of the National Aeronautics and Space Act (42 U.S.C. 2457). In accordance with the Space Act, the Federal Government owns inventions made under NASA funding agreements with large entities. However, the Administrator may grant the contractor a waiver of title in accordance with the NASA Patent Waiver Regulations. For NASA funding agreements with large entities, it is the policy of NASA to waive the rights of the United States to acquire title in and to any subject invention (with the reservation of a government license) if the Administrator determines that the interests of the United States will be served.

Based on the Space Act, the New Technology and Request for Waiver of Rights to Inventions clauses (NASA FAR Supplement clauses 1852.227-70 and 1852.227-71, respectively) are included in all NASA funding agreements with large entities if the funding agreement has as a purpose the performance of experimental, developmental, research, design, or engineering work. Under these clauses, for the contractor to obtain title to an invention, it must:

- a. Disclose each "Reportable Item" to NASA (through the NASA New Technology Representative identified in the funding agreement) within two months after the inventor discloses it in writing to the contractor's personnel responsible for administration of the New Technology clause or, earlier, within six months after the contractor becomes aware that a reportable item has been made (A "Reportable Item" is defined in the New Technology clause to mean any invention, discovery, improvement, or innovation of the contractor, whether or not patentable or otherwise protectable under Title 35 of the United States Code, conceived or first actually reduced to practice in the performance of any work under any NASA contract. Reportable items include, but are not limited to, new processes, machines, manufactures, and Compositions of matter, and improvements to, or new applications of, existing processes, machines, manufactures, and compositions of matter. Reportable items also include new computer programs, and improvements to, or new applications of, existing computer programs, whether or not copyrightable or otherwise protectable under Title 17 of the United States Code.);
- b. Petition for a waiver of title to an identified invention within eight months of first disclosure of the invention to the Federal agency;
- c. After NASA grants the waiver; and
- d. Include the Patent Rights clause in any subcontract with a small entity or the New Technology clause in any subcontract with a large entity.

If the contractor fails to disclose, request waiver, or file a patent application in accordance with the funding agreement (or if a waiver is denied), the government retains title to the invention. In such cases, NASA may file patent applications and license the applications and any resulting patents obtained.

NASA's goal is to provide the widest practicable and appropriate dissemination, early utilization, expeditious development, and continued availability of NASA funded and developed technology for the benefit of the United States scientific, industrial, and commercial communities and the general public. Many commercially valuable technological advances have resulted from innovations developed under NASA funding agreements. In order for NASA to achieve this goal, NASA must be able to identify and monitor such technologies, and assert intellectual property rights if appropriate. Therefore, the Technology Reporting requirements in NASA funding agreements require that contractors provide NASA:

- a. "New Technology Reports" disclosing each reportable item or subject invention developed under the contract within two months after the inventor discloses it in writing to the Contractor;
- b. "Interim Reports" every 12 months from the date of the contract listing all reportable items or subject inventions required to be disclosed during the reporting period, or certifying that there were none; and
- c. A "Final Report" prior to contract closeout listing all reportable items or subject inventions developed during performance of the contract, or certifying that there were none.

New Technology Reports are the primary means for identifying inventions and innovations developed under NASA

contracts. The Agency is prevented from achieving full success in its commercial technology mission when innovations are not identified or reports are not submitted in a timely manner. Moreover, the Agency (and each Center) may be losing the benefit of royalty income received from the licensing of patents on inventions which NASA has funded, but has lost, through the contractor's failure to report.

It is important that the government and the contractor know, protect, and exercise their rights in inventions, discoveries, improvements, and innovations made in the performance of work under NASA funding agreements in order to ensure their expeditious availability to the public; foster commercial use; enable the government, its contractors, and the public to avoid unnecessary payment of royalties; and defend themselves against claims and suits for infringement. To attain these ends, contracts having the New Technology clause or the Patent Rights clause should be administered so that:

- a. Reportable items and subject inventions are identified, disclosed, and reported;
- b. Requests for waiver of title or election of title, when appropriate, are timely made;
- c. The rights of the Government in reportable items and subject inventions are established;
- d. Where patent protection is appropriate, patent applications are timely filed;
- e. The rights of the Government in patent applications are documented by formal instruments such as licenses or assignments; and
- f. Expeditious commercial utilization of inventions is achieved.

New Technology Representative and Patent Representative will be identified in each contract containing the New Technology clause (in contracts with large entities) or the Patent Rights clause (in contracts with small entities). These NASA personnel administer the clause, protect the government's rights, and take other actions in relation thereto. Normally, the New Technology Representative will be the Technology Transfer Officer or the staff member (by titled position) having cognizance of technology utilization matters for the Center concerned; and the Patent Representative will be the Patent Counsel (by titled position) having cognizance of patent matters for the Center concerned. Disclosure by the contractor of inventions, interim reports, final reports, utilization reports, and other reports required by the New Technology or Patent Rights clause, as well as any correspondence with respect to such matters, should be directed to the New Technology Representative unless transmitted in response to correspondence or request from the Patent Representative. Inquiries or requests regarding disposition of rights, election of rights, or related matters should be directed to the Patent Representative.

In order to protect the government's rights in technology developed under funding agreements, the following NASA officials should take the listed actions (refer to the New Technology Reporting Process flowchart).

The New Technology Representative should take the following actions:

- a. Monitor technical progress reports to ascertain whether the contractor is complying with the new technology clause's reporting requirements;
- b. Receive and review New Technology, Interim and Final Reports from the contractor and determine, in consultation with the Contracting Officer's Technical Representative (COTR) or Program Manager (if necessary), whether submitted reports are acceptable;
- c. Request that the contractor submit Interim and/or Final Reports if not timely submitted;
- d. Forward to the Patent Representative copies of all New Technology Reports submitted by the contractor;
- e. Forward to the Patent Representative all correspondence relating to inventions and waivers under the New Technology clause or election of title under the Patent Rights clause;
- f. Enter New Technology Reporting information into NASA TechTracS;
- g. If necessary, consult the COTR or Program Manager, prior to requesting that the contractor reconsider and re-submit Interim Reports deemed to be incomplete;
- h. After consulting the COTR or Program Manager (where necessary), request that the contractor submit any New Technology Reports listed on Interim and/or Final Reports that have not been previously submitted;
- i. Upon receipt of any final report required by the clause, and upon determination that all work is complete, determine whether the contractor has complied with the clause's reporting requirements. If so, the New Technology Representative shall certify compliance, obtain the Patent Representative's concurrence, and forward the certification to the contracting/grants officer.

The Contracting Officer's Technical Representative (COTR) or activity personnel should take the following actions:

- a. Monitor the technical progress of work performed under the contract to ascertain whether the contractor is complying with the clause's reporting requirements; and

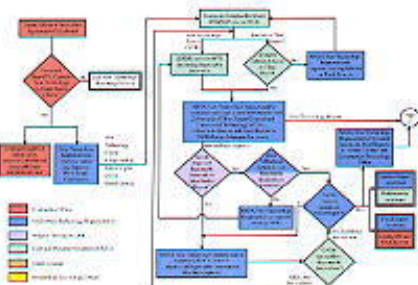
b. Review all Interim and Final Reports to determine whether all expected reportable items or subject inventions have been disclosed and provide input to the New Technology Representative.

The Patent Representative should take the following actions:

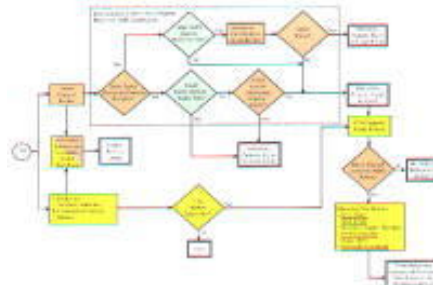
- a. Review each reportable item to ascertain whether it is to be considered a subject invention, and obtain any determinations required by the Patent Rights clause and the New Technology clause;
- b. Review New Technology Reports to ensure that the contractor has provided sufficient information to protect the Government's rights and interests in it and to permit the preparation, filing, and prosecution of patent applications;
- c. Enter patent related information into NASATechTracS;
- d. Determine inventorship, patentable subject matter, authorship of copyrightable software, and rights to intellectual property;
- e. Ensure the preparation of instruments establishing the government's rights; and
- f. Determine when information disclosed in New Technology Reports may be publicly released and approve or deny requests for such public releases.

The Contracting Officer shall not approve release of final payment under the contract and, if applicable, any reserve set aside under the withholding provisions of the clause for deficiencies and delinquent reporting not corrected as of the time of the submission of the final report by the contractor until receipt of the New Technology Representative's certification of compliance, and the Patent Representative's concurrence.

New Technology Reporting Process (Click for Larger Image)



New Technology Reporting Process (Continued) (Click for Larger Image)



New Technology Reporting Process Definitions

Contract/Grant/CA-

Contracts, Grants and Cooperative Agreements.

Small Entity-

Small business firms, colleges, universities, and non-profit organizations are all considered small entities. Contracts, grants and cooperative agreements with small businesses will include the Patent Rights clause required under the Bayh-Dole Act.

Large Entity-	Everything other than small business firms, colleges, or non profit organizations is considered a large entity. Contracts, grants, and cooperative agreements with large entities include the New Technology clause required under the National Aeronautics and Space Act of 1958.
Reportable Innovation-	Reportable Innovations include: (1) Subject Inventions under Patent Rights clause for small entities; and (2) Reportable Items under the New Technology clause for large entities and (3) software.
NTR-	A New Technology Report (NTR) is a detailed disclosure of individual Reportable Items. Contractors, grantees and recipients are to disclose Reportable Items preferably on NASA Form 1679.
Interim/Final Reports-	An Interim Report shall be provided every 12 months, listing Reportable Innovations during that period, or certifying that there were none. A Final Report shall be provided prior to contract closeout listing all Innovations, or certifying that there were none.

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